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R E M A R K S

Reconsideration of this application, as amended, is
respectfully requested.

THE CLAIMS

New method claim 25 has been added corresponding to system
claim 22.

No new matter has been added, and no new issues with respect
to patentability have been raised. Accordingly, it is
respectfully requested that the addition of new claim 25 be
approved and entered under 37 CFR 1.116.

THE PRIOR ART REJECTION

Claim 24 was rejected under 35 USC 102 as being anticipated
by USP 4,430,728 ("Beitel et al"), and claims 22-24 were rejected
under 35 USC 103 as being obvious in view of the combination of
Beitel et al and USP 6,044,349 ("Tolopka et al"). These
rejections, however, are respectfully traversed.

According to the system (and method) of the claimed present
invention the portable data storage medium is connectable to the
portable data terminal. When the user of the terminal attempts
to read the contents of a database file stored in the portable
data storage medium using the terminal, three checking steps are

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performed before the user is allowed to read the contents of the database file.

First, hardware checking is performed to determine whether the portable data storage medium and the portable terminal are in a pre-authorized hardware relationship. In particular, it is automatically checked to see whether the terminal that is going to read the storage medium is an authorized one when a power supply is turned on in a state where the storage medium is connected to the terminal. When the hardware identification codes IDs stored in both the portable data storage medium and the terminal coincide, the hardware is determined to be authorized.

Second, after the hardware checking is passed, user checking is performed to determine whether the user of the terminal is authorized to use the portable data storage medium (user checking). In particular, it is checked to see whether a password inputted by the terminal is contained in a plurality of passwords stored in the portable data storage medium for a plurality of users, respectively, who are authorized to use the database. If the password is stored, the user is determined to be authorized.

Third, software application checking is performed to determine whether a software application selected by the user from the plurality of database files (corresponding to the plurality of software applications, respectively) stored in the

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storage medium is one whose use in the terminal is authorized.
In particular, even when the storage medium and the terminal are
in a corresponding authorized hardware relationship, not all of
the data files stored in the storage medium are usable. A
portable terminal that is authorized to use each database must be
identified. Thus, such checking is performed by determining
whether the software identification codes stored in both the
storage medium and the terminal coincide. Until this checking is
passed as OK, the user cannot read a desired database file that
the user has selected from the various database files stored in
the storage medium.

Thus, according to the system (and method) of the claimed
present invention the user of the portable data storage medium
and portable terminal is not permitted to use the database file
until all the three checking stages (hardware checking, user
checking and software application checking) are passed.

And it is respectfully submitted that the system and method
of the claimed present invention are not at all disclosed by
Beitel at el and Tolopka et al, taken singly or in combination.
In fact, it is respectfully submitted that the portion of Beitel
et al which is cited by the Examiner as disclosing the checking
of the claimed present invention merely discloses checking a user
ID code. That is, it is respectfully submitted that Beitel et al
does not disclose, teach or suggest the feature of the claimed

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present invention whereby the user is not permitted to read the
database stored in the portable storage medium until all three
checking stages are passed.

It is again respectfully submitted, moreover, that Tolopka
et al merely discloses a technique for determining the validity
of a smart card 120 based on various information stored in the
card. That is, it is respectfully submitted that Tolopka et al
does not disclose, teach or suggest determining whether or not
the card 120 and the ISS 130 into which the card 120 is to be
inserted are in a corresponding authorized hardware relationship,
in the manner of the hardware checking of the claimed present
invention. Thus, it is respectfully submitted that Tolopka et al
also does not disclose, teach or suggest the system (and method)
according to the claimed present invention whereby the user is
not permitted to read the database stored in the portable storage
medium until the three checking stages are passed.

In view of the foregoing, it is respectfully submitted
that the present invention as recited in each of independent
claims 22, 24 and new claim 25, as well as claim 23 depending
from claim 22, clearly patentably distinguishes over Beitel et al
and Tolopka et al, taken singly or in any combination, under
35 USC 102 as well as under 35 USC 103.

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Entry of this Amendment, allowance of the claims and the passing of this application to issue are respectfully solicited.

If the Examiner has any comments, questions, objections or recommendations, the Examiner is invited to telephone the undersigned at the telephone number given below for prompt action.

                         Respectfully submitted,

                         Douglas Holtz
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